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LODGE TO RETURN FROM SAIGON SOON FOR POLICY TALKS

Envoy to Brief Kennedy on
the Political and Military
Situation in Vietnam

AIR OF CRISIS DENIED

Officials in U.S. Insist Visit
Does Not Herald Major
Changes in Planning

By HEDRICK SMITH

Special to The New York Times

WASHINGTON, Oct. 23 —

Ambassador Henry Cabot Lodge is scheduled to return from Saigon shortly to confer with President Kennedy on the military and political situation in South Vietnam.

A State Department spokesman announced today that the Ambassador would have "a few days of consultations" at the end of this month or early in November.

Officials consider this an opportune time for Mr. Lodge to return home for a top-level review of United States policy. He took over his post Aug. 22 at the peak of the Buddhist crisis.

The United Nations mission arrived in Saigon Thursday to study charges that the Government persecutes Buddhists.

They insist that no dramatic developments have necessitated the visit and that it is not likely to foreshadow any important

changes in policy toward the Government of President Ngo Dinh Diem.

In discussing Mr. Lodge's forthcoming return one official said: "He's had time to make his assessments of the situation. We want him back and he wants to come back. This sort of thing is easier to discuss directly with him."

View on Reforms Sought

Washington is particularly interested in getting Mr. Lodge's estimate of its attempts to win political reforms from the Ngo Dinh Diem regime by applying a slow economic squeeze.

Since August, Washington has curtailed the flow of new economic aid to South Vietnam in the hope of building up pressure for political reforms among Saigon's business community.

Earlier this week, officials disclosed that financial support was being suspended for units of South Vietnam's Special Forces. Special Forces units were used in the August attacks on Buddhist pagodas.

Officials here have been surprised by the mild reaction in Saigon to these moves. Washington's general expectation was that when word of the sus-

pension in aid—particularly of aid for Vietnam's commercial imports—became known, businessmen would begin hoarding goods and thus start an inflationary spiral.

This has begun to occur, but only to a slight degree. Although the Vietnamese Government has shown its irritation with such policies, there are no indications that President Ngo Dinh Diem and Ngo Dinh Nhu, his chief adviser, are about to ease their authoritarian control of the Government.

Mr. Lodge will return to Washington, however, having won a number of points in his campaign for a more aggressive American effort to eliminate the repressive aspects of the Ngo Dinh Diem regime.

Even top military officials have subscribed to Mr. Lodge's view that the political situation in Saigon "remains serious" and that repressive actions by the Saigon Government could "significantly affect" the war against Communist guerrillas.

Achieved C.I.A. Transfer

Mr. Lodge also achieved the transfer of John H. Richardson, the Central Intelligence Agency mission chief in Saigon, and he has been successful in shifting some of the intelligence agency's operational functions to the United States military missions in South Vietnam.

Mr. Richardson, who was reported to have clashed with Mr. Lodge over the C.I.A.'s responsibilities, was recalled to Washington early this month. Today, Congressional sources said he testified at a secret session of a House Foreign Affairs subcommittee headed by Representative Clement J. Zablocki, Democrat of Wisconsin.

In another development, Brig. Gen. Frank A. Osmanski, a member of the Military Advisory Committee for South Vietnam, declared that "significant progress" had been made in the last year in the war against Communist guerrillas.